

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**  
**(An unlimited company and registered charity)**

**Annual report and financial statements**

**Year ended 31 December 2009**

**Company number: 699764**

**Charity number: 242451**

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

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**Year ended 31 December 2009**

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## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2009**

The trustees are pleased to present their report together with the audited financial statements of the charity for the year ending 31 December 2009.

#### **Legal and administrative details**

<u>Charity number:</u>	242451
<u>Company number:</u>	699764
<u>Principal office and registered office:</u>	751 Warwick Road, Solihull, West Midlands, B91 3DQ
<u>Auditors:</u>	Grant Thornton UK LLP Enterprise House, 115 Edmund Street, Birmingham B3 2HJ
<u>Bankers:</u>	HSBC 34 Poplar Road, Solihull, West Midlands, B91 3AF  Bank of America 26 Elmfield Road, Bromley, Kent, BR1 1WA
<u>Solicitors:</u>	Devonshires Salisbury House, London Wall, London, EC2M 5QY

#### **Directors, trustees and senior management:**

The directors of the charitable company (the charity) are its trustees for the purpose of charity law and throughout this report are collectively referred to as the trustees.

The trustees serving during the year and subsequent to the year end and up to the date of signing the report were as follows:

Robert John Mulligan

Gregory William Reeves

Resigned 17 December 2009

Rainer Herbert Gottlieb Wiborny

Joseph Bitner Wirthlin Jr.

Appointed 17 December 2009

None of the trustees have qualifying third-party indemnity insurance.

#### **Area controller**

Brad Barlow

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2009 (continued)**

#### **Structure, governance and management**

##### Governing document

The Church of Jesus Christ of Latter-day Saints (Great Britain) is an unlimited company and a registered charity. The Charity is governed by its Memorandum and Articles of Association.

##### Appointment of trustees

As set out in the Articles of Association, new or additional directors (trustees) are to be appointed by the shareholder (Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints), providing such persons are willing so to act either to fill a vacancy or as an additional trustee.

The shareholder will also determine the rotation and time in which trustees are to retire. Currently no term is fixed to the term served. Trustees shall not be less than two or more than seven in number.

The shareholder may, from time to time, vary the minimum or maximum number of directors (trustees).

##### Trustee induction and training

New trustees undergo an orientation day to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the committee and decision making processes, the business plan and recent financial performance of the charity.

During the induction day they meet key employees and other trustees. Trustees are updated and advised on legal issues by Devonshires solicitors.

##### Organisation

The parent organisation of the charity, The Church of Jesus Christ of Latter-day Saints, is directed by the First Presidency supported by The Quorum of the Twelve Apostles and various quorums of the Seventy. Members of these quorums are called General or Area Authorities, three of whom will be assigned to serve as an Area Presidency within a specific geographic area.

Throughout the world a number of Area Presidencies are assigned to administer the day to day affairs of the Church on behalf of the First Presidency. One of these Area Presidencies is based in Frankfurt, Germany and has the responsibility for the administration and operation of the Church in Europe. The Europe Area Presidency provides ecclesiastical direction for the Church in Europe and oversees the Church's lay ministry.

Ecclesiastical direction is channelled to the charity via the shareholder (Corporation of the Presiding Bishop) and is reflected in the various department budget requests which are reviewed by the trustees annually prior to them being submitted to Church headquarters for approval.

Within this framework, the board of trustees administers the affairs of the charity. The board meets at least twice a year. Department heads submit reports and budget requests to the trustees for approval in or around October each year. In or around March each year department heads report to the trustees on the prior year's financial performance and achievements.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2009 (continued)**

#### **Structure, governance and management (continued)**

In addition, the trustees monitor progress and achievements throughout the year and other trustee meetings are held as necessary.

#### Employees

The charity has the policy of ensuring that its employees are those that are able to meet the necessary requirements of their position and are up to date on any developments required for their position. This is achieved in a variety of ways:

- Applications for new positions in the charity are invited from anyone with the relevant qualifications. The key selection emphasis is on the applicants' ability to meet the requirements of the position with reference to qualifications and prior experience. In December 2008, in response to the impact of the economic environment on operations, the charity initiated a hiring freeze with the result that resigning or retiring staff would no longer be automatically replaced. This hiring freeze continued throughout 2009. In the future, whenever a vacancy does need to be filled, preference will be given to selecting from existing employees based on their experience and relevant qualifications. Only in exceptional circumstances is it expected that new external hires will be considered for needed vacant positions.
- The charity utilises regular staff meetings during the year which help to ensure that the employees' input is received regarding any decisions which affect their interests. In addition, there are websites and e-mail facilities available to enable more effective communication and training. This helps to ensure that employees receive systematic updates on matters concerning them as employees and ensures their involvement in relation to the financial and economic factors that affect the performance of the charity.
- In addition to the above points, the charity is mindful of the need to cater for those with illness, medical conditions or disabilities. Applicants for new positions in the charity are requested to provide information the employer would need to be aware of in order to make reasonable adjustments should they be successful.
- In addition to the above points the charity is mindful of the need to cater for those with disabilities. Where any employees become incapacitated during their employment they are entitled to receive long term disability benefits from the charity. Where an employee becomes disabled but not incapacitated the employer will make any reasonable adjustments necessary. On training and career development issues, there is no distinction made between disabled and non-disabled employees. The same opportunities are available to all staff, irrespective of disability. The key emphasis is on the technical ability of each employee.

#### Related parties

The charity has a close relationship with its sister charities The Church of Jesus Christ of Latter-day Saints (Welfare) Limited ("Welfare"), the Irish Association of The Church of Jesus Christ of Latter-day Saints ("The Irish Association") and The Church of Jesus Christ of Latter-day Saints (European Distribution) Limited. There is regular cooperation between the charities.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2009 (continued)**

#### **Structure, governance and management (continued)**

During the year the charity took on the UK activities of the retailing of clothing, CDs and DVDs, curriculum and magazines, operating cafeterias and the provision of temple accommodation for patrons from The Church of Jesus Christ of Latter-day Saints (European Distribution) Limited. Stock of £249,499 and activities were transferred on May 2009 for no consideration.

#### Principal risks and uncertainties

The main risk the charity faces is that it relies on donations from members and parent company donations to finance its charitable activities. However, the parent company has guaranteed its future financial support, where necessary, to ensure that the charity has sufficient reserves to meet the costs of its charitable activities.

#### Financial risk and management

The following statements summarise the charity's identified forms of financial risk and management policies:

- Price risk – salary costs are communicated to staff during the formal annual review of salaries. Prices of materials purchased are subject to contracts with suppliers, based on current market prices.
- Credit risk – Credit risk on amounts owed to the charity by its customers is low as the majority of its debtors have been contracted with frequently by the charity in the past and have a proven reliability.
- Liquidity risk – The charity has no long-term borrowings. Assurances of continuing financial support have been received from the parent company.
- Interest rate cash flow risk – The charity is able to place surplus funds on short term deposit with the company's bankers.

The trustees have a risk management strategy which encompasses:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the strategy; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

#### **Objectives and activities**

We have the general aim of assisting the Church of Jesus Christ of Latter-day Saints ("The Church") to grow its membership and to provide facilities for them and to reach out and work with and provide services to the wider community. We assist members of The Church and others in need of religious assistance or in conditions of need, hardship, sickness or distress.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2009 (continued)**

#### **Objectives and activities (continued)**

The object of the charity is:

To promote and further the religious and other charitable work of The Church of Jesus Christ of Latter-day Saints in the United Kingdom and elsewhere.

The charity achieves this in the following ways:

#### Provision of facilities for religious worship

One of the primary objectives of the charity is to provide temples and meetinghouses to enable religious worship to be undertaken by members of the Church and others. Worship services are held each Sunday in meetinghouses. We work closely with Welfare which has the responsibility of building new meetinghouses.

#### Religious education

Worship services are held each Sunday in meetinghouses whereby members and non-members are invited to attend and learn about Jesus Christ and how adopting his teachings benefits all. These services are open to the public. Various other meetings are held throughout the rest of the week.

The smallest congregation in the Church is a Branch. Larger congregations are called Wards. All members of the Church belong to a designated Branch or Ward. Groups of Branches and Wards are called Districts or Stakes. These are created to facilitate the administration of the Church.

The Church has no paid ministry and thus local members fill leadership positions. Men and women volunteer their time to serve in whatever position they are called.

Ecclesiastical functions in the various congregations are carried out on a volunteer basis. Administrative support and ecclesiastical direction is provided from the Church's headquarters in Frankfurt, Germany (from August 2008). Prior to August 2008 ecclesiastical direction and administrative support had been provided from Solihull in the West Midlands.

#### Religious materials

The charity supplies certain religious materials at no charge to members of the Church and others to help them in their Church work and to improve their learning. Magazines and other religious training materials are also contained on the Church's United Kingdom and worldwide websites ([www.lds.org](http://www.lds.org) and [www.lds.org.uk](http://www.lds.org.uk)).

#### Missionary work

A key objective is missionary work and we assist in the funding of missionary activities in the United Kingdom. Missionaries will teach people about the Church and also undertake service projects in the local community.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2009 (continued)**

#### **Objectives and activities (continued)**

##### Genealogy

The Church places great religious significance on tracing family history. Within the community there is also a wide interest in genealogy. We continue to be committed to improving facilities within our family history centres throughout the United Kingdom and Ireland. Upon request, we also make available microfilm and microfiche records from the extensive libraries held by the Church.

##### Work in the community

We encourage members of the Church to become actively involved in their local community and provide training materials to assist with this. We also arrange a 'National Helping Hands Day' where members of each Ward and Branch perform pre-arranged service in the community.

##### Public Affairs

The Church has undertaken certain public affairs projects during the year to ensure that the general public has a clear understanding of what the Church teachings stand for.

#### **Public benefit**

The trustees have read and given due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties.

#### **Achievements and performance**

##### Buildings

Church membership in the United Kingdom stood at 186,707 at 31 December 2009. At year end there were 44 stakes comprising 282 wards and 57 branches.

At year end 2009 the charity owned 284 meetinghouses accommodating 311 wards and branches. For those congregations not yet qualifying for a purpose built meetinghouse, facilities were either leased or rented to accommodate such units of the Church. During 2009 the charity leased or rented 38 premises to house an equal number of wards and branches that do not yet qualify for their own meetinghouse.

During 2009 one meetinghouse in Derby was extended at a total cost of £411,000. This extension was required to more adequately house the growing congregations.



## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2009 (continued)**

#### **Achievements and performance (continued)**

The charity works closely with Welfare which has the responsibility of building new meetinghouses. In October 2009 Welfare paid £655,500 to secure the purchase of a site in Manchester. The eventual contract for this purchase was agreed and signed in March 2010. The construction of a new meetinghouse in Congleton was completed in 2009 at an overall cost of £1,450,000.

Also, the design and planning of two meetinghouse extension projects were started during 2009 and both projects are due to be completed in 2010. These projects are: Gloucester (£120,000), and York (£80,000).

#### Missionary work

During 2009 there were 2,533 convert baptisms in Great Britain and Ireland. The charity continues to assist with the funding of missionary programmes.

All of the missions in the United Kingdom were audited internally during 2009. No major issues or concerns were discovered and recommendations were given to the Mission President and financial secretary on financial management and best practice at the conclusions of each audit visit.

Overall, the missionary programme for 2009 finished within budget.

#### Family history

Family history research (researching genealogy) has become a major interest and hobby for many people and it is estimated that in excess of 10 million individuals have used the internet in an attempt to learn more about the origins of their family. For members of the Church, family history research is a tenet of their faith and access is available to the world's largest free genealogy library where more than 20 billion records can be studied.

In United Kingdom the charity had 117 family history centres operating at year end 2009. These research facilities are used extensively by members of the public and, of the 93,720 patrons using these facilities in the course of the year, 70% approximately were not members of the Church.

There are no paid staff in family history centres and during 2009 it required a total of 21,500 hours of volunteer service to meet patron demands for access to the records that are available. Overwhelmingly, the majority of volunteer hours came from members of the Church (approximately 95% of the volunteer hours).

One of the aims of family history is to deliver more records, to more people, and faster, by providing timely access to the broadest set of family history records possible. During 2009 in the United Kingdom, approximately 4,500,000 new images of significant family history records were captured and negotiations of new contracts and re-negotiations of existing contracts secured digital and internet access rights for just under 38,000,000 records.

## The Church of Jesus Christ of Latter-day Saints (Great Britain)

### Report of the trustees for the year ended 31 December 2009 (continued)

#### Achievements and performance (continued)

Other activities completed during the year were:

- Participated in the “Who Do You Think You Are?” live event at Olympia in London.
- Continued the migration of Family History Centres from the *Family Records Extraction* programme to the programme *FamilySearch* indexing.
- Recruited and trained 15 volunteers (Church service missionaries) to work in Area FamilySearch Support – an online and phone helpdesk.
- Worked with local ecclesiastical leaders to maintain a high number of wards and branches of the Church with registered Family history consultants.
- Imaged and replaced 53 Family history centre personal computers and installed 5 new digital imaging systems.

#### Work in the community

During 2009 the charity undertook three major community initiatives:

##### Weathering the storms of life

This professionally produced exhibition, which was funded by donations to the charity, toured the United Kingdom during 2009 between February and November. This is a four-day exhibition that was set up in Church meetinghouses or other donated local venues. The aim of the exhibit was to increase community awareness of the need for wise decision making during periods of financial downturn or natural disaster and on that basis guidance was given on financial management, emergency response to natural disaster, CPR training, etc.

Local community organisations were invited to participate from areas in emergency services to local charities. The total production cost incurred in 2009 was £50,000.

##### Mormon helping hands

Each year the Church designates a national day for the Mormon helping hands initiative. In 2009, 27<sup>th</sup> June was the chosen day for this activity.

Local ecclesiastical stake leaders (equivalent to a bishop in the Church of England) selected service projects that make a worthwhile contribution to their local community. On the selected day, 28 service projects were undertaken involving 16,024 volunteers, predominantly Church members, who collectively donated at least 16,664 hours of community service.

The range of service projects undertaken included community garden make-over, clearing weeds from churchyards and community areas, litter picking, work on children’s play areas, renovations on community buildings, repairing and painting fences, etc.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2009 (continued)**

#### **Financial review**

Each year the trustees carry out a detailed review of each department of the charity. They review the previous year's achievements and review and approve the budgets for next year.

The end of the year saw an excellent financial result based on strong financial management. Costs were maintained within budget. There was, as expected, an increase in the total resources expended. The costs increased from £33,133,000 in 2008 to £41,791,000 in 2009. This was primarily due to a grant expense during the year to its sister company, The Irish Association, of £6,519,000 (see note 18 for further details). In addition there were inflationary factors which drove costs higher.

Incoming resources saw an increase from £33,106,000 in 2008 to £36,531,000 in 2009. This was primarily due to donation income from the parent company of £3,199,000.

The other incoming resources were donations from church members (£30,668,000), interest income (£140,000), incoming resources from charitable activities (£872,000) and other income (£1,652,000). In addition there were certain restricting economic pressures due to the recessionary times that affected the economy as a whole.

Resources expended exceeded incoming resources for the year by £3,004,000 after taking into account the actuarial gain on the defined benefit pension scheme of £2,540,000.

#### Investment powers and policy

Under the Memorandum and Articles of Association, the charity has the power to invest in any way the trustees deem to be in the best interests of the charity.

The charity's objective is to maintain high liquidity while ensuring maximum security and achieving the highest possible return.

To achieve this objective, the charity invested £6,559,000 in fixed-term deposit accounts with high security rating from periods of one month to three months and achieved an average rate of 1.81% gross during 2009.

#### Reserves policy

The trustees have established the level of reserves (that is those funds that are freely available) that the charity ought to have ready access to. Reserves are needed to bridge any funding gap between spending and receiving resources through shareholder grants and member donations. The trustees' policy is to hold, as a minimum, the equivalent of approximately 12 months charitable expenditure in reserves.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2009 (continued)**

#### **Financial review (continued)**

The actual reserves at 31 December 2009 were £268,431,000 which is significantly above our target. This significant figure is largely due to the conversion of inter-company debt to grant income that took place in prior years as directed by the parent company.

In calculating reserves, the trustees have excluded from total funds the restricted income funds of £4,671,000. It is the trustees' view that it is prudent to ensure that there are sufficient reserves to provide financial flexibility.

The reserves policy is reviewed on an annual basis.

#### **Plans for the future**

##### Buildings

We will continue to review the criteria for deciding when to build new buildings and whether innovative building techniques can achieve cost reductions in contract procurement and construction.

During 2010 it is planned to commence the design phase of 4 meetinghouses in the United Kingdom, namely Buchan, Omagh, Manchester and Milford Haven. In addition the replacement meetinghouse at Runcorn will be completed at an overall estimated cost of £2,391,436.

There are plans to complete 3 meetinghouse additions and 55 replacement and improvements projects at an overall cost of £2,545,579 throughout the United Kingdom in 2010.

No site purchases are planned for 2010.

##### Religious materials

We will continue to supply religious materials to members and others.

##### Missionary work

Sufficient budget funds will be allocated to ensure the continued growth of the Church and the number of annual convert baptisms.

##### Family history

In line with the aim to deliver more records to more people faster, Family history will continue the roll out of an on-line microfilm ordering service in Great Britain and Ireland. In addition, local ecclesiastical leaders will be encouraged to identify individuals who can be trained as additional volunteers in the FamilySearch indexing programme.

For the fourth consecutive year, Family history will participate in the national family history fair, "Who Do You Think You Are?" at the Olympia in London.

## **The Church of Jesus Christ of Latter-day Saints (Great Britain)**

### **Report of the trustees for the year ended 31 December 2009 (continued)**

#### **Plans for the future (continued)**

##### Work in the community

Working through the public affairs department, the charity will continue its efforts in 2010 to:

- Increase public awareness and understanding of the Church, its doctrine and family values.
- Enhance the credibility and relevance of the Church in the community.
- Whenever necessary, counter inaccurate perceptions and ignorance.

This will be achieved by establishing the voice of the Church on family issues through continuing the initiatives of "Weathering the Storms of Life" and "Family Values Awards" programme. The national "Mormons Helping Hands" will be held in June 2010.

#### **Trustees' responsibilities in relation to the financial statements**

The trustees are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the charity and of its surplus or deficit for that period.

In preparing those financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the charities SORP
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business .

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**The Church of Jesus Christ of Latter-day Saints (Great Britain)**

**Report of the trustees for the year ended 31 December 2009 (continued)**

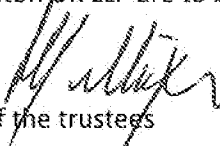
**Statement on disclosure of information to the auditors**

In so far as each of the trustees is aware :

- there is no relevant information of which the charitable company's auditors are unaware; and
- The trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Independent Auditors**

Grant Thornton UK LLP are to be re-appointed as auditors to the charity for the coming year.



On behalf of the trustees

Robert John Mulligan

Trustee

Date: 15 September 2010

Company number: 699764

## **Independent auditor's report to the members of The Church of Jesus Christ of Latter-day Saints (Great Britain)**

We have audited the financial statements of The Church of Jesus Christ of Latter-day Saints (Great Britain) for the year ended 31 December 2009 which comprise the statement of financial activities, the balance sheet, the cash flow statement, the principal accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of The Church of Jesus Christ of Latter-day Saints (Great Britain) for the purposes of company law) responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether the information given in the Report of the trustees is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read other information contained in the Report of the trustees, and consider the implications for our report if we become aware of any apparent misstatements within it.

## **Independent auditor's report to the members of The Church of Jesus Christ of Latter-day Saints (Great Britain) – continued**

### **Basis of audit opinion**


We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Report of the trustees is consistent with the financial statements.



**Kathryn Godfree**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Birmingham

15 September 2010



**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Statement of financial activities (including income & expenditure account)**

**for the year ended 31 December 2009**

	Note	Unrestricted Funds £'000	Restricted Funds (Note 7) £'000	Total funds 2009 £'000	Total funds 2008 £'000
<b>Incoming resources</b>					
<b><i>Incoming resources from generated funds:</i></b>					
<b><i>Voluntary income:</i></b>					
Donations	1	27,475	3,193	30,668	31,327
Donation from parent company	18	3,199	-	3,199	-
<b><i>Investment income:</i></b>					
Interest receivable	11	140	-	140	774
<b><i>Incoming resources from charitable activities:</i></b>					
Religious media sales		252	-	252	-
Temple income		605	-	605	-
Family history microfilm rentals		15	-	15	-
		31,686	3,193	34,879	32,101
<b><i>Other incoming resources:</i></b>					
Other operating income		201	-	201	560
Other finance income		90	-	90	770
Profit/(loss) on disposal of fixed assets	4	1,361	-	1,361	(325)
		1,652	-	1,652	1,005
<b>Total incoming resources</b>		<b>33,338</b>	<b>3,193</b>	<b>36,531</b>	<b>33,106</b>
<b>Resources expended</b>					
Charitable activities	2a	38,743	2,993	41,736	33,078
Governance costs	3	55	-	55	55
<b>Total resources expended</b>		<b>38,798</b>	<b>2,993</b>	<b>41,791</b>	<b>33,133</b>
<b>Net (outgoing)/incoming resources before recognised gains and losses</b>					
		<b>(5,460)</b>	<b>200</b>	<b>(5,260)</b>	<b>(27)</b>
Unrealised (loss)/gain on translation		(284)	-	(284)	1,623
Actuarial gain/(loss) on defined benefit scheme	19	2,540	-	2,540	(7,410)
<b>Net (expenditure)/income for the year</b>		<b>(3,204)</b>	<b>200</b>	<b>(3,004)</b>	<b>(5,814)</b>
Total funds brought forward		261,635	4,471	266,106	271,920
<b>Total funds carried forward</b>		<b>258,431</b>	<b>4,671</b>	<b>263,102</b>	<b>266,106</b>

None of the charity's activities discontinued during the above two financial years.

There is no difference between the results above and the unmodified historical cost equivalents for the years.

The statement of financial activities includes all gains and losses recognised in the years.

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Balance Sheet**

**as at 31 December 2009**

	Note	2009 £'000	2008 £'000
<b>FIXED ASSETS</b>			
Tangible assets	9	260,487	267,383
<b>CURRENT ASSETS</b>			
Debtors	10	2,686	2,923
Cash at bank and in hand		2,424	2,076
Investments	11	6,560	7,001
Inventory	12	173	-
		11,843	12,000
<b>LIABILITIES</b>			
<b>CREDITORS</b>			
Amounts falling due within one year	13	(1,488)	(1,907)
<b>NET CURRENT ASSETS</b>		10,355	10,093
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		270,842	277,476
Net assets excluding net pension asset/(liability)		270,842	277,476
Defined benefit pension scheme asset/(liability)	20	2,260	(1,370)
Net assets including pension asset/(liability)		273,102	276,106
<b>THE FUNDS OF THE CHARITY:</b>			
Called up share capital	14	10,000	10,000
Restricted income funds	8	4,671	4,471
Unrestricted income funds		256,171	263,005
Total funds excluding pension reserve/(deficit)		270,842	277,476
Pension reserve/(deficit)	20	2,260	(1,370)
Total charity funds	15	273,102	276,106

The accounting policies and notes on pages 18 to 31 form part of these accounts.

The financial statements on pages 15 to 31 were approved by the board of trustees on 15 September 2010 and were signed on its behalf by:

John Mulligan - trustee

Company number: 699764



THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Cash flow statement

for the year ended 31 December 2009

	Note	2009 £'000	2008 £'000
Reconciliation of operating (deficit)/surplus to net cash inflow from operating activities			
Operating (deficit)/surplus	16a	(5,873)	670
Depreciation		6,536	6,635
Decrease in debtors		237	4,149
(Decrease)/Increase in creditors		(419)	459
Increase in inventory		(173)	-
Movement in translation on fixed assets		306	(1,634)
Transfer of fixed assets to Irish Association		6,546	44
Write off of fixed assets		513	-
Transfer of fixed assets from Welfare		(1,069)	-
Net cash inflow from operating activities		6,604	10,323
Reconciliation of net cash flow to movement in net funds			
	Note	2009 £'000	2008 £'000
Net cash inflow from operating activities		6,604	10,323
Returns on investments and servicing of finance	16b	140	774
Capital expenditure	16c	(4,574)	(14,310)
Investment in Trustco	16b (i)	-	(1)
Management of liquid resources	16d	441	4,937
Financing:			
Payments to parent company	16a	(2,263)	(783)
Increase in cash		348	940
Increase in cash in the year		348	940
Net funds at 1 January		2,076	1,136
Net funds at 31 December	16e	2,424	2,076

## THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

### Accounting policies

for the year ended 31 December 2009

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The financial statements are prepared in accordance with applicable accounting standards in the United Kingdom and in accordance with the Statement of Recommended Practice (SORP), Accounting and Reporting for Charities 2005. A summary of the significant accounting policies which have been applied consistently, are:

#### BASIS OF ACCOUNTING

The financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006.

#### FRS 18

The trustees have reviewed the accounting policies and confirmed that they are the most applicable.

#### INCOMING RESOURCES

Donations represent amounts collected from United Kingdom members on a receivable basis, together with income tax recoverable for amounts paid under Deed of Covenant and Gift Aid. Deferred income relates to advance payments for certain regional activities held by the company.

Periodically further donations are received from the company's parent company, The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, to provide funds for the company's charitable activities and to ensure that the company has adequate reserves. These donations may be received by way of cash or partial cancellation of amounts due to the parent company. These donations are separately disclosed in the statement of financial activities and income and expenditure account.

#### RESOURCES EXPENDED

Resources expended comprises expenditure on charitable activities and governance costs. Costs are either specifically identified or apportioned on an appropriate basis between charitable activities and governance costs of the charity.

Charitable activities expenditure comprises the direct costs related to the achievement of the charitable objectives and an analysis of these costs are provided in note 2.

Governance costs are those costs that relate to activities which provide the governance infrastructure which allows the charity to operate and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the charity. A breakdown is provided in note 3 and specifically comprises the legal advice to trustees, external audit costs and costs associated with constitutional and statutory requirements.

Expenditure is recognised on an accruals basis.

#### INVESTMENTS

Investment income is recognised on an accruals basis.

#### LIABILITIES

Future liabilities are recognised when the charity has a legal or constructive financial obligation, that can be reliably estimated and for which there is an expectation that payment will be made.

#### STOCKS

Stocks are valued at the lower of cost (determined under a weighted average method) and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items or items provided free of charge.

## THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

### Accounting policies (continued)

for the year ended 31 December 2009

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#### TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Individual fixed assets costing £5,000 or more are capitalised at cost. Depreciation is provided on all tangible fixed assets other than freehold land and assets in the course of construction at rates calculated to write down each asset to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	over 50 years
Land improvements	over 50 years
Plant and equipment	over 10 years
Motor vehicles	over 4 years

Where appropriate provision has been made for impairment in the value of tangible fixed assets.

#### OPERATING LEASES

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged to the statement of financial activities on a straight line basis over the lease term.

#### FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the income and expenditure account.

#### PENSION COSTS

The company operates a defined benefit pension scheme, which is contracted out of the state scheme. Pension costs are accounted for under Financial Reporting Standard (FRS) 17. The disclosures required by Financial Reporting Standard (FRS) 17 are included in the notes to the financial statements (see note 20).

The net assets under the defined benefit pension scheme are included in the balance sheet. Current and past service costs are charged to operating profit, the expected return on pension scheme assets, net of interest costs on pension liabilities are included within other finance income and actuarial gains and losses are included on the face of the statement of financial activities.

#### FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the trustees in accordance with the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the accounts (see note 8).

#### EXCHANGE GAINS AND LOSSES

Gains and losses due to exchange rate movements arise from two main areas. Firstly, gains and losses arise from the charity using standardised monthly internal exchange rates compared with actual currency translation rates. Where there is a difference between the two, the difference is recorded as an exchange gain or loss. This reported loss has no impact on the level of resources available for programs.

Secondly, fluctuations arise in the sterling value of assets and liabilities, mainly foreign currency bank account balances, held during the year and at the year end. Such fluctuations are included as an exchange gain or loss.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements

for the year ended 31 December 2009

1 Restricted income	2009 £'000	2008 £'000
Missionary support fund	769	795
Book of Mormon fund	42	44
Fast offering fund	1,553	1,500
Temples construction fund	69	64
Humanitarian aid fund	344	453
Youth conferences	416	82
	<b>3,193</b>	<b>2,938</b>

2a Analysis of charitable activities

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2009 £'000	Total 2008 £'000
Provision of worship facilities	25,126	-	25,126	21,148
Religious education	6,047	481	6,528	4,678
Missionary work	904	752	1,656	1,461
Genealogy work	6,225	-	6,225	3,897
Community projects	441	1,760	2,201	1,894
	<b>38,743</b>	<b>2,993</b>	<b>41,736</b>	<b>33,078</b>

2b Charitable activities allocation

Activity	Activities Undertaken directly £'000	Support Costs £'000	Total £'000
Provision of worship facilities	12,939	12,187	25,126
Religious education	2,809	3,719	6,528
Missionary work	1,100	556	1,656
Genealogy work	2,397	3,828	6,225
Community projects	1,930	271	2,201
Total	<b>21,175</b>	<b>20,561</b>	<b>41,736</b>

2c Support costs allocation

Support cost	Provision of worship facilities £'000	Religious Education £'000	Missionary work £'000	Genealogy work £'000	Community projects £'000	Total £'000	Basis of Allocation
Staff costs	4,125	2,715	406	2,794	198	10,238	Department
Travel	511	336	51	346	25	1,269	Wage costs
General administration	717	472	70	486	34	1,779	Wage costs
Materials and supplies	146	96	14	99	7	362	Wage costs
Depreciation	6,536	-	-	-	-	6,536	Buildings
Cost of sales	152	100	15	103	7	377	Wage costs
Total	<b>12,187</b>	<b>3,719</b>	<b>556</b>	<b>3,828</b>	<b>271</b>	<b>20,561</b>	

The staff costs are allocated on the basis of the department in which the particular employees work. Travel, general administration, materials and supplies, cost of sales and grant expense are allocated on a pro-rata basis with the wages costs as these support costs relate to all charitable activities. Depreciation only relates to the charitable activity of providing worship facilities.

3 Governance costs	2009 £'000	2008 £'000
Audit fees	37	31
Accounting	18	17
Tax consultancy	-	7
	<b>55</b>	<b>55</b>

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2009**

**4 Net (expenditure)/income for the year**

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Net (expenditure)/income is stated after charging/(crediting):		
Operational leases (land and buildings)	925	859
Depreciation	6,536	6,635
Auditors remuneration	37	31
Profit/(loss) on disposal of fixed assets	1,361	(243)
Loss on write off of fixed assets	(513)	(82)

**5 Employees**

	<b>2009</b>	<b>2008</b>
	<b>No.</b>	<b>No.</b>
The average monthly number of persons (including directors) employed by the company during the year was:		
Teaching function	23	24
Office administration	202	163
Building cleaners	231	236
	<b>456</b>	<b>423</b>

	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs for the above persons:		
Wages and salaries	9,070	7,696
Social security costs	884	585
Other pension costs (note 20)	284	678
	<b>10,238</b>	<b>8,959</b>

The number of employees whose emoluments fell within the following bands during the year were as follows:

	<b>2009</b>	<b>2008</b>
	<b>No.</b>	<b>No.</b>
£70,001 - £80,000	7	7
£60,001 - £70,000	12	13

The number of employees whose emoluments were above £60,000 and who had benefits accruing under the defined benefit scheme were as follows:

	<b>2009</b>	<b>2008</b>
	<b>No.</b>	<b>No.</b>
£70,001 - £80,000	7	7
£60,001 - £70,000	12	13

**TRUSTEES' REMUNERATION**

None of the trustees received any remuneration or reimbursements from the charity during the year (2008: none).

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2009**

**6 Taxation**

The company is a registered charity and as such is entitled to certain tax exemptions on income and profits carried on in furtherance of the charity's primary objectives, if the profits and surpluses are applied solely for charitable purposes.

**7 Analysis of net assets between funds**

	Unrestricted funds £'000	Restricted Funds £'000	Total 2009 £'000
Tangible fixed assets	260,487	-	260,487
Current assets	7,172	4,671	11,843
Liabilities due under one year	(1,488)	-	(1,488)
	266,171	4,671	270,842

**8 Restricted income funds**

The capital and income funds of the charity include restricted funds comprising the following unexpended balances of donations held on trust to be applied for specific purposes.

	Balance 31.12.08 £'000	Incoming resources £'000	Expenditure & transfers £'000	Balance 31.12.09 £'000
Fast Offering fund	661	1,553	(1,720)	494
Missionary support fund	1,486	769	(644)	1,611
Book of Mormon fund	38	42	(44)	36
Temple Construction fund	59	69	(64)	64
Humanitarian Aid fund	1,691	344	(11)	2,024
Youth Conferences	500	416	(481)	435
Public Affairs	36	-	(29)	7
	4,471	3,193	(2,993)	4,671

**Fast offering fund**

These funds are contributed by members of the Church to be used in the relief of the poor and needy. During the year £1,720,000 was spent for the relief of the poor and needy not only in the United Kingdom and Ireland but also other countries in Europe and in Africa.



# THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

## Notes to the financial statements (continued)

for the year ended 31 December 2009

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### 8 Restricted funds (continued)

#### Missionary support fund

The missionary support fund represents donations from members in the United Kingdom and Ireland towards the costs of the Church's worldwide missionary fund programme which is co-ordinated and administered by the parent company, The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints. During each year, funds are transferred to the parent company as authorised by the trustees. Funds authorised for specified missionaries are released evenly over their mission term of either 18 months or two years. The balance unexpended at the year end represents funds authorised but not yet transferred in respect of specified serving missionaries and funds reserved for future missionaries.

#### Book of Mormon fund

These funds are donated by the members towards the production and distribution costs of 'The Book of Mormon - Another Testament of Jesus Christ'. This book is printed by The Church of Jesus Christ of Latter-day Saints. The balance of these funds at 31 December 2009 was transferred immediately after the year end to The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

#### Temple construction fund

These funds are donated by the members towards the cost of constructing temples by The Church of Jesus Christ of Latter-day Saints in any country throughout the world. The balance of these funds at 31 December 2009 was transferred immediately after the year end to The Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

#### Humanitarian aid fund

These funds are donated by the members to help fund the programme of Humanitarian Aid approved by The Church of Jesus Christ of Latter-day Saints. The amount expended in 2009 was in respect of projects in the United Kingdom and Ireland.

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2009

9 Tangible fixed assets

	Assets in the course of construction £'000	Land and Buildings £'000	Plant & Equipment £'000	Motor Vehicles £'000	Total £'000
<b>Cost:</b>					
1 January 09	18,251	320,764	2,491	3,152	344,658
Transfers	(10,115)	10,115	-	-	-
Transfer to the Irish Association	(20)	(7,983)	-	(283)	(8,286)
Transfer from Welfare	-	1,070	-	-	1,070
Opening adjustment	1	(1)	-	16	16
Exchange movement	(3)	(365)	-	-	(368)
Write offs	(315)	(198)	-	-	(513)
Additions	6,501	-	43	181	6,725
Disposals	-	(1,093)	-	(533)	(1,626)
31 December 2009	14,300	322,309	2,534	2,533	341,676
<b>Depreciation:</b>					
1 January 09	-	73,328	1,809	2,138	77,275
Op Adjustment	-	-	-	16	16
Exchange movement	-	(62)	-	-	(62)
Charge for Year	-	5,864	134	538	6,536
Disposals	-	(343)	-	(493)	(836)
Transfer to the Irish Association	-	(1,512)	-	(228)	(1,740)
31 December 2009	-	77,275	1,943	1,971	81,189
<b>Net book value:</b>					
31 December 2009	14,300	245,034	591	562	260,487
31 December 2008	18,251	247,436	682	1,014	267,383

The net book value of leases held over 50 years within land and buildings is £689,250 in 2009 (2008: £689,250)

10 Debtors	2009 £'000	2008 £'000
Due within one year:		
Deposits and advances	90	78
Other debtors	34	-
Prepayments and accrued income	2,562	2,845
	2,686	2,923

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2009**

**11 Investments**

All investment income arises from interest bearing deposit accounts. These are short term high interest accounts.

	2009 £'000	2008 £'000
Fixed term deposit accounts	6,559	7,000
Deseret U.K.Trustco unlimited	1	1
	<u>6,560</u>	<u>7,001</u>

The trustees consider the value of the investments to be supported by the company's underlying assets.

**12 Stock**

	2009 £'000	2008 £'000
Finished goods and goods for resale	173	-
	<u>173</u>	<u>-</u>

**13 Creditors: Amounts falling due within one year**

	2009 £'000	2008 £'000
Other taxation and social security costs	131	144
Other creditors	1,080	1,610
Deferred income	277	153
	<u>1,488</u>	<u>1,907</u>

Deferred income is further analysed as follows:

	2009 £'000	2008 £'000
Opening balance	153	120
Utilised in year	(153)	(120)
Accrued during year	277	153
Closing balance	<u>277</u>	<u>153</u>

**14 Called up share capital**

	2009 £'000	2008 £'000
Authorised: 25 million ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>
Allotted, issued and fully paid: 10 million ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

**15 Reconciliation of movements in total shareholders' funds**

	2009 £'000	2008 £'000
Net deficit in funds for the year	(5,260)	(27)
Actuarial gain/(loss) on pension scheme (note 20)	2,540	(7,410)
Unrealised (loss)/gain on translation	(284)	1,623
	<u>(3,004)</u>	<u>(5,814)</u>
Net change in total shareholders' funds		
Opening shareholders' funds	276,106	281,920
Closing shareholders' funds	<u>273,102</u>	<u>276,106</u>

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2009

16 Notes to the cash flow statement

	2009 £'000	2008 £'000
a Operating (deficit)/surplus		
Net outgoing resources before other recognised gains and losses	(3,004)	(5,814)
Interest received and other finance income	(230)	(1,544)
(Gain)/loss on disposal of tangible fixed assets	(1,361)	325
Difference between pension charge and cash contributions	(1,000)	(490)
Forgiven parent company balance	2,262	783
Actuarial (gain)/loss	(2,540)	7,410
Operating (deficit)/surplus	<u>(5,873)</u>	<u>670</u>
b Returns on investments and servicing of finance		
Interest received	<u>140</u>	<u>774</u>
b(i) Investment in Trustco	<u>-</u>	<u>(1)</u>
c Capital expenditure		
Payments to acquire tangible fixed assets	(6,725)	(14,719)
Receipts from sales of tangible fixed assets	2,151	409
	<u>(4,574)</u>	<u>(14,310)</u>
d Management of liquid resources		
Fixed term deposits reduction	<u>441</u>	<u>4,937</u>
e Analysis of changes in net funds		
	At 01 January 2009 £'000	Cash flows At 31 December 2009 £'000
Cash at bank and in hand	<u>2,076</u>	<u>348</u>
	<u>2,076</u>	<u>2,424</u>

17 Capital commitments

	2009 £'000	2008 £'000
Capital expenditure authorised by the directors but not contracted for	<u>300</u>	<u>10,327</u>
Capital expenditure authorised by the directors and contracted for	<u>3,617</u>	<u>6,819</u>

# THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

## Notes to the financial statements (continued)

for the year ended 31 December 2009

### 18 Related party transactions and ultimate holding company

The company is owned solely by the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints (the parent company and controlling party), a company incorporated in the state of Utah, United States of America. Assurances of continued financial support have been received from the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints.

All inter-company balances between the company and its parent company are transferred to the statement of financial activities as a grant expense or grant income depending on whether it is a debit or credit balance at the year end. At 31 December 2009 the balance owing to the parent company was £3,198,697 and this amount was transferred to grant income (2008: Grant expense of £782,891).

During the year the company acted as agent of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints in the transfer of funds to and from other Church entities throughout the world. Balances arising from those transactions are dealt with as entries on behalf of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints, and not as debtors and creditors of the company.

In addition, the company acts as an agent of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints in meeting certain costs of the Church's worldwide missionary programme in the United Kingdom and Ireland. These transactions are dealt with as entries on behalf of the Corporation of the Presiding Bishop of The Church of Jesus Christ of Latter-day Saints and not as expenditure of the company.

During the year the company contracted with another fellow subsidiary, The Church of Jesus Christ of Latter-day Saints (Welfare) Limited ("Welfare"), for it to carry out construction of church buildings on the company's behalf. The value of this work in the year was £1,089,000 (2008: £500,000). During the year the company shared accounting and administration staff with Welfare for no charge. The value of these services is approximately £30,000. In addition, land valued at £1,069,954 was transferred from Welfare.

On 31 December 2009 the company donated fixed assets to a value of £6,519,000 (2008: £2,113,000) to the Irish Association of The Church of Jesus Christ of Latter-day Saints Limited (The Irish Association) as follows:

	2009 £'000	2008 £'000
Fixed assets	6,519	44
Cash, bank and investments	-	2,101
Sundry debtors	-	21
Accruals	-	(53)
	<u>6,519</u>	<u>2,113</u>

A further donation of £159,000 (2008: £23,000) was made to The Irish Association by way of forgiven debt.

Also on 31 December 2009 five employees who work as custodians and cleaners of the donated properties, who were previously employed by the company, became employees of the Irish Association.

During the year the company provided eight properties it owned to The Irish Association on a rent-free basis for church meetings and for missionary work. The value of this benefit is approximately £198,000. In addition the company paid wages and employee expenses of £32,000 in relation to the custodians and cleaners of these properties.

On 20 May 2009 The Church of Jesus Christ of Latter-day Saints (European Distribution) Limited ("EDL") transferred stock of £249,499 and assets of £46,332 to the company. The company now continues the UK trading activities of EDL.

# THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

## Notes to the financial statements (continued)

for the year ended 31 December 2009

### 19 Commitments under operating leases

At 31 December 2009 the company had annual commitments under non-cancellable operating leases which relate to the lease of building facilities used for worship purposes. These are set out below:

	2009 £'000	2008 £'000
In less than one year	38	96
In two to five years	229	21
In more than five years	283	340

### 20 Pension and other post-employment commitments

In conjunction with The Church of Jesus Christ of Latter-day Saints (Welfare) Limited the Company operates a defined benefits plan, the Deseret UK benefit plan ("the Plan") which was approved under Chapter 1 Part XIV of the Income and Corporation Taxes Act 1988. The Plan is contracted out of the State Second Pension.

The assets of the Plan are held separately from the assets of the Company. The most recent triennial valuation, using the projected unit basis, as at 31 December 2008, showed that the value of the Plan's assets was 82% of the value of the benefit accrued to members after allowing for future increases to earnings. The market value of the Plan's assets was £33,594,000, excluding money purchase additional voluntary contributions (AVCs). The following assumptions were adopted for the above valuation:

Investment return (before retirement)	6.50% pa
Investment return (after retirement)	4.50% pa
Average Salary Increases	4.80% pa
Retail price inflation	3.30% pa
Pension Increases (post 04/1997)	3.30% pa

In order to produce the 2009 disclosures required under FRS17 a full valuation, as at 31 December 2008, has been updated, by an independent qualified actuary, using the assumptions as shown below:

	31 December 2009	31 December 2008	31 December 2007
Price inflation	3.55% pa	3.30% pa	3.40% pa
Discount rate	5.75% pa	6.10% pa	5.90% pa
Increases in payment (post 04/1997 to 04/2006)	3.45% pa	3.20% pa	3.30% pa
Pensionable salary increases	4.80% pa	4.80% pa	4.90% pa

The mortality assumptions used were as follows:

	31 December 2009	31 December 2008	31 December 2007
Longevity at age 65 for current pensioners:			
- Men	22.2	22.1	21.9
- Women	24.6	24.5	24.8
Longevity at age 65 for future pensioners:			
- Men	22.2	22.1	21.9
- Women	24.6	24.5	24.8

THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)

Notes to the financial statements (continued)

for the year ended 31 December 2009

20 Pension and other post employment commitments (continued)

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

On this basis, the balance sheet figures required under FRS17 are as follows:

	31 December 2009		31 December 2008		31 December 2007	
	Expected long-term return	Value £millions	Expected long-term return	Value £millions	Expected long-term return	Value £millions
Equities	8.00% pa	33.37	7.35% pa	23.88	7.50% pa	32.72
Bonds	5.75% pa	5.39	5.42% pa	6.11	4.75% pa	3.85
Cash	0.50% pa	2.63	2.00% pa	3.16	5.00% pa	2.35
Property	7.50% pa	0.38	6.85% pa	0.44	7.00% pa	0.65
Total market value of assets		41.77		33.59		39.57
Present value of Plan liabilities		39.51		34.96		34.79
Plan surplus/(deficit)		2.26		(1.37)		4.78

Reconciliation of present value of scheme liabilities

	31 December 2009 £millions	31 December 2008 £millions
Opening defined benefit obligation	34.96	34.79
Service cost	0.89	1.04
Contributions by members	0.34	0.36
Interest cost	2.12	2.06
Actuarial losses/(gains)	2.96	(2.51)
Benefits paid	(1.76)	(1.10)
Insured pension adjustment	-	0.32
Closing defined benefit obligation	39.51	34.96

**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2009**

**20 Pension and other post employment commitments (continued)**

**Reconciliation of the fair value of scheme assets**

	31 December 2009	31 December 2008
	£millions	£millions
Opening fair value of scheme assets	33.59	39.57
Expected return	2.21	2.83
Actuarial gains/(losses)	5.50	(9.92)
Contributions by employer	1.89	1.53
Contribution by members	0.34	0.36
Benefits paid	(1.76)	(1.10)
Insured pension adjustment	-	0.32
Closing fair value of scheme assets	<u>41.77</u>	<u>33.59</u>

The actual return on plan assets was a gain of £7.71 million for 2009 (2008: loss of £7.09 million). The value of the plan assets is volatile. The asset value disclosed is at a point in time and will have moved since the year end.

**Analysis of amount charged/(credited) to net income**

	31 December 2009	31 December 2008
	£millions	£millions
Current service cost	(0.89)	1.04
Expected return on pension Plan assets	(2.21)	(2.83)
Interest on pension Plan liabilities	2.12	2.06
Net return	<u>(0.98)</u>	<u>0.27</u>

The rate of contributions payable by the Company is determined by an independent qualified actuary on the basis of triennial funding valuations. Contributions paid by the Company to the Plan during the year ended 31 December 2009 amounted to £1.89 million. Contributions exclude employee contributions contributions of £340,000 (2008: £360,000). 2010 contributions are expected to be in line.

**Movement in (deficit)/surplus during the year**

	31 December 2009	31 December 2008
	£millions	£millions
(Deficit)/surplus in Plan at beginning of the year	(1.37)	4.78
Movement in the year: Current service cost	(0.89)	(1.04)
Contributions	1.89	1.53
Other finance income	0.09	0.77
Actuarial gain/(loss)	2.54	(7.41)
Surplus/(deficit) in plan at end of the year	<u>2.26</u>	<u>(1.37)</u>



**THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS (GREAT BRITAIN)**

**Notes to the financial statements (continued)**

**for the year ended 31 December 2009**

**20 Pension and other post employment commitments (continued)**

**Analysis of amount recognised in statement of total recognised gains and losses**

	31 December 2009	31 December 2008
	£millions	£millions
Actual return less expected return on pension Plan assets	5.50	(9.92)
Experience gains and losses arising on Plan liabilities	(0.02)	1.03
Changes in assumptions underlying the present value of the Plan liabilities	<u>(2.94)</u>	<u>1.48</u>
Actuarial gain/(loss) recognised in the statement of total recognised gains and losses	<u>2.54</u>	<u>(7.41)</u>

The cumulative actuarial loss as at 31 December 2009 is £4,940,000 (2008: loss of £7,480,000)

**Amounts for current and previous four periods**

Year ending 31 December (£millions)	2009	2008	2007	2006	2005
Defined benefit obligation	(39.51)	(34.96)	(34.79)	(34.86)	(30.17)
Scheme assets	41.77	33.59	39.57	36.13	31.97
Surplus / (deficit)	2.26	(1.37)	4.78	1.27	-
Experience adjustments on scheme liabilities	(0.02)	1.03	-	(1.40)	1.51
Experience adjustments on scheme assets	5.50	(9.92)	0.10	1.66	1.85